

HOUSE BILL 2612

By Moody

AN ACT to amend Tennessee Code Annotated, Title 49,  
relative to school facilities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 1, Part 2, is amended by  
adding the following as a new section:

(a) As used in this section:

(1) "Public school" or "school" means a rural school or a charter school;

and

(2) "Rural school" means an LEA operated school in an LEA that has an  
average daily membership of eight thousand (8,000) or less.

(b)

(1)

(A) The department of education shall create a pilot program to  
provide certain facilities funding to charter schools and rural schools.

Under the pilot program, the department shall establish, administer, and  
monitor a system of annual competitive grants to public schools that  
provide funds to:

(i) Equip teachers with modern teaching tools and  
technologies;

(ii) Upgrade facilities to ensure safe and healthy learning  
environments for students; and

(iii) Modernize education technology infrastructure for school facilities for both day-to-day personalized learning applications and annually required state assessments.

(B) Grants may be used to completely fund a small capital project, such as technology infrastructure upgrades, new roofs, or fire alarms, or as part of the funding effort for a large capital project.

(2)

(A) Applications for the award of grants shall be filed with the department according to guidelines developed by the department for the administration of the grant program.

(B) The governing body of a charter school shall file the application with the department. The permission of the charter school's authorizing body is not required to file an application.

(C) A rural school or the LEA in which the rural school is located may file the application with the department.

(3) A charter or rural school shall be eligible for the grant program; provided, that the school is not on the priority or focus school list published immediately preceding the date of the school's application.

(4)

(A) The department shall give preference in the award of grants to public schools that:

(i) Are state rewards schools; or

(ii) Have overall composite Tennessee value-added assessment scores (TVAAS) of 4 or 5 in the two (2) school years immediately preceding the date of the school's application.

(B) The department in awarding grants may take into consideration other factors, such as the school's TVAAS composite index

scores in the two (2) school years immediately preceding the date of the school's application.

(5)

(A) To receive a grant under this section, a public school shall provide a matching amount from donations or its funds, including bond funds, if not prohibited by the bond issue. The department shall set guidelines for the required match that may vary from school-to-school and that take into consideration:

(i) The type of project to be funded;

(ii) The percentage of the students enrolled in the school who qualify for free or reduced price lunch, with a lower match for those schools having a high percentage of students receiving free or reduced price lunch;

(iii) If the school is a rural school:

(a) The fiscal capacity of the LEA; or

(b) The LEA's operating budget with a higher match for those LEAs having a higher fund balance; or

(iv) If the school is a charter school:

(a) The percentage of the per pupil revenue received by a charter school that the charter school spends on facility costs other than operation and maintenance of facilities, with a lower match for those schools having higher facility costs; or

(b) A charter school's management organization's annual operating budget, with a higher match for those

charter school management organizations having a higher fund balance.

(B) In any grant cycle, the match percentage calculated for a charter school under subdivision (5)(A) shall fall between the lowest match percentage for an LEA operated school and the highest match percentage for an LEA operated school.

(C) The department may waive or reduce the amount of the match required in extenuating circumstances as it determines appropriate.

(6) The department may make site visits to review a project's progress or to review a completed project.

(7) A school that receives a grant shall submit a final report to the department when the project for which the grant was awarded is complete. The final report shall be submitted on a standardized form provided by the department. Final payment of any remaining grant funds shall be made only after the final report is submitted. At time of final payment, the project for which the grant was received shall be considered closed.

(8) If a school does not expend the entire amount of the grant funds awarded for a project, the unused balance shall be returned to or remain in the charter and rural schools facility assistance fund created under subsection (c).

(9) If funds are appropriated in the general appropriations act for the 2016-2017 fiscal year, the pilot program shall commence and shall continue until the funds appropriated in the 2016-2017 fiscal year are disbursed, unless the general assembly chooses to continue the pilot program by appropriating

additional funds in subsequent fiscal years. No more than twenty-five million dollars (\$25,000,000) shall be appropriated to the fund for fiscal year 2016-2017.

(c)

(1) There is created within the state treasury a fund to be administered by the department of education and to be known as the charter and rural schools facility assistance fund.

(2) Moneys in the fund shall be available to the department to make grants to public schools for facility assistance for capital projects through the competitive grant program under subsection (b).

(3) Amounts remaining in the fund at the end of each fiscal year shall not revert to the general fund, but shall be carried forward into the subsequent fiscal year and remain available for use by the department for the award of grants in subsequent years under subsection (b). Moneys in the fund shall be invested by the state treasurer pursuant to title 9, chapter 4, part 6, for the sole benefit of the fund. All earnings attributable to such investments shall be credited to the fund.

SECTION 2. This act shall not be construed to be an appropriation of funds, and no funds shall be obligated or expended pursuant to this act unless the funds are specifically appropriated by the general appropriations act.

SECTION 3. This act shall take effect July 1, 2016, the public welfare requiring it.